



**DEFENSE CONTRACT AUDIT AGENCY**  
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IN REPLY REFER TO

PPD 730.3.35.1

September 11, 2002  
02-PPD-067(R)

**MEMORANDUM FOR REGIONAL DIRECTORS, DCAA**  
**DIRECTOR, FIELD DETACHMENT, DCAA**

**SUBJECT:** Audit Alert on FY 2003 Program Plan – Coordination with DCMA Contract Management Offices on Contracts with Funds Due to Cancel in FY 2003

MRD 02-OWD-041(R), Fiscal Year 2003 Planning and Staff Allocation Document, dated July 25, 2002, provided guidance for preparing the program plan for FY 2003. Page 5 of the Enclosure to the MRD discusses development of the FY 2003 MOCAS Priorities for the incurred cost audits. Under the guidance, FAOs are to ensure that MOCAS priorities are considered when programming and prioritizing incurred cost audits. When coordinating with their DCMA Contract Management Office (CMO), FAOs should have the ACO identify those audits they consider to be a MOCAS Priority. The MRD lists several criteria for consideration when meeting with the CMO/ACO. One of the criteria is contractors with contract funds due to cancel in FY 2003. Subsequent to the issuance of the MRD, we were informed by DCMA Headquarters that the annual report used to identify FY 2003 contract canceling funds will not be available to CMOs/ACOs until about December 2002. Once the FY 2003 canceling funds report is issued by DCMA Headquarters, the CMOs/ACOs should be contacting the FAOs to coordinate any audit support for these contracts. If necessary, FAOs should update the DMIS MOCAS Priority code for any additional incurred cost audits identified by the CMO/ACO.

Auditors with questions regarding this memorandum should contact their regional offices. Regional personnel with questions should contact Mr. David Fleming, Program Manager, Policy Programs Division, at (703) 767-2270.

/s/ Robert DiMucci  
/for/ Lawrence P. Uhlfelder  
Assistant Director  
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